

PUBLIC SERVICE COMMISSION OF WISCONSIN

Minutes and Informal Instructions of the Open Meeting of
Thursday, May 14, 2015

The Public Service Commission of Wisconsin (Commission) met as noticed. Present were Chairperson Nowak, Commissioner Montgomery and Commissioner Huebsch.

Minutes

The Commission approved the minutes of the open meetings of Thursday, April 30, 2015, and Friday, May 1, 2015.

5070-CE-105 – Application of the City of Richland Center, as an Electric Public Utility, for Authority to Install a New Transformer, Circuit Switcher, Switchgear and Associated Equipment in its Existing James E. Olson Substation, in the City of Richland Center, Richland County, Wisconsin

The Commission approved the Notice of Investigation and directed it be signed by the Secretary to the Commission on behalf of the Commission.

6650-CG-248 – Application of Wisconsin Gas LLC, as a Gas Public Utility, for Authority to Install Natural Gas Distribution Facilities in the Town of Gull Lake, Washburn County, Wisconsin

The Commission approved the Notice of Investigation and directed it be signed by the Secretary to the Commission on behalf of the Commission.

6690-EA-178 – Application of Wisconsin Public Service Corporation for Authority to Remove an Overhead Electric Line Located at 1504 Elo Road in the Town of Utica, Winnebago County, Wisconsin

The Commission approved the Notice of Investigation and directed it be signed by the Secretary to the Commission on behalf of the Commission.

2428-CW-104 – Application of Village of Lake Hallie Public Works, Chippewa County, Wisconsin, to Construct a New 500,000 Gallon Water Tank

The Commission approved the Notice of Investigation and directed it be signed by the Secretary to the Commission on behalf of the Commission.

4130-ER-108 – Application of the City of New London, Outagamie County, Wisconsin, as an Electric Public Utility, for Authority to Increase Electric Rates

The Commission approved the Notice of Proceeding and directed it be signed by the Secretary to the Commission on behalf of the Commission.

6690-UR-124 – Application of Wisconsin Public Service Corporation for Authority to Adjust Electric and Natural Gas Rates

The Commission approved the Notice of Proceeding and directed it be signed by the Secretary to the Commission on behalf of the Commission.

870-WR-102 – Application of Butternut Municipal Water Department, Ashland County, Wisconsin, for Authority to Increase Water Rates

The Commission approved the Notice of Proceeding and directed it be signed by the Secretary to the Commission on behalf of the Commission.

1680-WR-102 – Application of Dresser Municipal Water Utility, Polk County, Wisconsin, for Authority to Increase Water Rates

The Commission approved the Notice of Proceeding and directed it be signed by the Secretary to the Commission on behalf of the Commission.

1730-WR-106 – Application of Village of East Troy Municipal Water Utility, Walworth County, Wisconsin, for Authority to Increase Water Rates

The Commission approved the Notice of Proceeding and directed it be signed by the Secretary to the Commission on behalf of the Commission.

3510-TE-100 – Application of Medford Electric Utility, Taylor County, Wisconsin, for Tariff Changes Related to Deferred Payment Agreements

The Commission approved the Notice of Proceeding and directed it be signed by the Secretary to the Commission on behalf of the Commission.

3520-TW-100 – Application of Medford Water Works, Taylor County, Wisconsin, for Tariff Changes Related to Deferred Payment Agreements

The Commission approved the Notice of Proceeding and directed it be signed by the Secretary to the Commission on behalf of the Commission.

4139-TE-101 – Application of New Richmond Municipal Electric Utility, St. Croix County, Wisconsin, for Tariff Changes Related to Deferred Payment Agreements

The Commission approved the Notice of Proceeding and directed it be signed by the Secretary to the Commission on behalf of the Commission.

4140-TW-100 – Application of New Richmond Municipal Water Utility, St. Croix County, Wisconsin, for Tariff Changes Related to Deferred Payment Agreements

The Commission approved the Notice of Proceeding and directed it be signed by the Secretary to the Commission on behalf of the Commission.

4220-TE-101 – 2015 Miscellaneous Tariff Filings

Application of Northern States Power Company-Wisconsin for Approval to Create a Community Solar Garden Pilot Program

The Commission approved the request filed on behalf of Northern States Power Company-Wisconsin (NSPW) for a Community Solar Garden Pilot Program, subject to conditions.

The Commission determined that NSPW should be required to provide data on the total energy output, the number of subscriptions, the average subscription size and the amount of unsubscribed energy, if any, that it purchases from the panels. NSPW should also work with Commission staff to develop a production curve study showing the output of the community solar gardens with the overall NSP system peak, along with avoided costs related to the Midcontinent Independent System Operator, Inc., schedules.

The Commission directed the Gas and Energy Division to draft an order in this docket, consistent with its discussion.

5-GF-107 – Administration of the Universal Service Fund Grant Program for Access Programs or Projects by Non-Profit Groups

Fiscal Year 2015 Funding Proposals

The Commission modified and awarded Fiscal Year 2015 Universal Service Fund grants, as recommended by the rating panel and as set forth in Attachment D to the Commission Agenda memorandum dated April 29, 2015, for the Access Programs or Projects by Non-Profit Groups.

The Commission discussed the panel's recommendation and the request made on behalf of the Americans for Better Hearing Foundation-1 (ABHF-1), Application No. 15-3. The Commission determined that it would fully fund the ABHF-1 request in the amount of \$82,500.

The Commission directed the Division of Business and Communications Services to draft an order consistent with its discussion.

5-CE-145 – Joint Application of Wisconsin Electric Power Company, Madison Gas and Electric Company, and WPPI Energy for a Certificate of Authority to Upgrade Various Power Block Equipment at Elm Road Generating Station Units to Facilitate the Use of Sub-Bituminous Coals or Powder River Basin Coals as a Fuel Source

5-CE-147 – Application of Wisconsin Electric Power Company, Madison Gas and Electric Company and WPPI Energy for Authority to Construct a Site Bulk Material Handling Project at Oak Creek Power Plant and Elm Road Generating Station

The Commission discussed this matter, determined that it was in the public interest to approve the applications submitted to upgrade various power block equipment at the Elm Road Generating Station (ERGS) units to facilitate the use of sub-bituminous coals or Powder River Basin coals as a fuel source (fuel flexibility project) and to construct a site bulk material handling project (SBMH project) at ERGS and the Oak Creek Power Plant, as modified, and made the following additional determinations:

1. The fuel flexibility project complies with the applicable standards under Wis. Stat. §§ 1.11, 1.12, 196.025, and 196.49, and Wis. Admin. Code chs. PSC 4 and 112.
2. The SBMH project complies with the applicable standards under Wis. Stat. §§ 1.11, 1.12, 196.025, and 196.49, and Wis. Admin. Code chs. PSC 4 and 112.
3. There are no alternatives set out under Wis. Stat. §§ 1.12(4) and 196.025(1) that can replace the projects and produce an equivalent amount of fuel cost savings.
4. The applicants' PROMOD modeling is reasonably complete and accurate.
5. The applicants' ORACL modeling is reasonably complete and accurate.
6. The direct cost for the fuel flexibility project is \$25,000,000 plus \$1,456,000 in capital costs.
7. The direct cost of the SBMH project is \$62,100,000 plus \$12,900,000 in construction interest.

8. The cost of the fuel flexibility project must be recovered through the ERGS facility leases under Wis. Stat. § 196.52(9).
9. The cost of the SBMH project must be recovered through the ERGS facility leases under Wis. Stat. § 196.52(9).
10. The following general conditions, other than those usually included in Commission construction orders, should be attached to construction of the proposed fuel flexibility and SBMH projects to meet the requirements for Commission approval:
 - a. The tree removal phase of the project shall be delayed until mid-August to mitigate environmental impacts from woodland clearance.
 - b. The applicants shall be required to work with Union Pacific Railroad, an acoustic engineering firm, and local residents to identify and address any noise concerns that result from increased train traffic or operations.
 - c. The applicants shall be required to replace habitat destroyed as part of the SBMH project as outlined in Ex.-Applicants-O'Connor-2 ([PSC REF#: 232920](#)).
11. The Commission should issue a Certificate of Authority for the fuel flexibility project, pursuant to Wis. Stat. §§ 1.12, 196.025 and 196.49, and Wis. Admin. Code ch. PSC 112, subject to conditions.
12. The Commission should issue a Certificate of Authority for the SBMH project, pursuant to Wis. Stat. §§ 1.12, 196.025 and 196.49, and Wis. Admin. Code ch. PSC 112, subject to conditions.

The Commission directed the Gas and Energy Division to draft an order in this docket, consistent with its discussion.

CLOSED SESSION – The Commission recessed the open meeting, went into closed session under Wis. Stat. § 19.85(1)(g) to discuss the litigation matter noted below with legal counsel, and reconvened the open meeting pursuant to Wis. Stat. § 19.85(2).

Commissioner Huebsch moved, pursuant to Wis. Stat. § 19.85(1)(g), that the Commission convene in closed session to discuss the litigation matter listed below. Commissioner Montgomery seconded the motion. The motion was carried and the Commission went into closed session.

After a discussion in closed session, the Commission reconvened in open session.

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FERC Docket No. AD14-3-000 – Coordination Across the Midcontinent Independent System Operator, Inc./PJM Interconnection, L.L.C. Seam

The Commission modified and approved the filing of a Motion to Intervene and Reply Comments in the above-entitled matter with the Federal Energy Regulatory Commission, consistent with its discussion.

The Commission adjourned the meeting at 11:42 a.m.

Sandra J. Paske
Secretary to the Commission

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